GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:2286
ANSWERED ON:03.12.2007
INTEREST SUBVENTION SCHEME
Angadi Shri Suresh Chanabasappa

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government has introduced or propose to introduce any Interest Subvention Scheme to provide agricultural loan at lower rates of interest;

(b) if so, the details thereof;

(c) the States where the said scheme is under operation; and

(d) the number of farmers benefited/likely to be benefited through the said scheme?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE(SHRI KANTI LAL BHURIA)

(a)to(c): Yes, Sir. The Government of India has introduced interest subvention scheme for providing crop loan upto Rs.3 Lakh per borrower at 7% rate of interest per annum. The policy came into force with effect from Kharif 2006-07. To implement the scheme, Government of India also provided interest subvention @ 2% p.a. to Public Sector Banks, Regional Rural Banks (RRBs) and Cooperative Banks on their own involvement of funds in the crop loan disbursement. The interest subvention scheme has been continued for the year 2007-08 also with a budgetary provision of Rs.1677 crore. The scheme is under implementation in the entire country.

(d): All the farmers availing crop loans upto a principal amount of Rs.3 Lakh are eligible beneficiaries under the scheme.